



DEPARTMENT OF THE NAVY  
OFFICE OF THE ASSISTANT SECRETARY  
(FINANCIAL MANAGEMENT AND COMPTROLLER)  
1000 NAVY PENTAGON  
WASHINGTON, D.C. 20350-1000

DEC 20 2001

MEMORANDUM FOR DISTRIBUTION

Subj: MANAGEMENT OF THE DEPARTMENT OF DEFENSE TRAVEL CARD

Ref: (a) USD(C) memo of 21 Sep 01  
(b) OASN(FM&C) letter of 30 Jan 01  
(c) OASN(FM&C) memo of 12 Mar 01  
(d) OASN(FM&C) memo of 6 Nov 01

Encl: (1) Management of the Travel Card Program

Management of the government travel card, particularly delinquent accounts, has generated considerable attention over past months. With reference (a), the Under Secretary of Defense (Comptroller) (USD(C)) outlined several new policies for all Department of Defense (DoD) Components, focusing particularly on the importance of reducing delinquencies.

The Department of the Navy (DON) has consistently shown a proactive commitment to reducing travel card delinquencies, addressing many of the actions that the USD(C) is now requiring to be implemented by all DoD. For example, early this year, the Comptroller of the Navy issued reference (b) to cardholders who were delinquent in their accounts, and subsequently issued reference (c) alerting commands to be proactive in ensuring that travel claims are settled promptly. Last month, we issued reference (d) instructing commands to deactivate or cancel cards belonging to infrequent travelers.

Commands are to review and implement the USD(C) guidance and procedures provided in enclosure (1). While most of these procedures are contained in current DoN policies, the following are key aspects of the new requirements that are found in enclosure (1):

a. Include Travel Charge Card Programs in Management Control Program evaluation checklists.

b. Include training on proper use of travel card as part of the mandatory annual Standards of Conduct briefing to all civilian employees/military members.

Subj: MANAGEMENT OF THE DEPARTMENT OF DEFENSE TRAVEL CARD

c. Make use of basic personal financial management training offered by family service organizations and financial institutions on DoD installations.

d. Notify the travel card contractor of the cardholder's new duty address for continuity until the cardholder provides a new home address for mailing of the billing statement.

e. Require Agency Program Coordinators to review records of all current cardholders to ensure a signed Statement of Understanding is on file (one time effort).

f. Require each Agency Program Coordinator to conduct quarterly compliance reviews of five percent of their cardholder accounts to ensure cardholders are complying with existing policies.

Additional guidance regarding each of the areas covered under the USD(C) memo can be found at:  
<http://www.fmo.navy.mil/services/travelcard.htm>. This information can further assist DoN commands with effectively managing the travel card program.

Commands can also contact their Component Program Manager for additional details regarding implementing and maintaining the USD(C) requirements. Navy APCs should contact LCDR Carolyn Pasternak at 717-605-9387 (DSN Prefix 430). Marine Corps APCs should contact MAJ Jeff Sokoly at (703) 614-4981 (DSN Prefix 224). My point of contact is Mr. Dave McDermott, who may be reached at (202) 685-6719 (DSN Prefix 325).



**GLADYS J. COMMONS**  
Principal Deputy  
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(see next page)

Subj: MANAGEMENT OF THE DEPARTMENT OF DEFENSE TRAVEL CARD

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## **MANAGEMENT OF THE TRAVEL CARD PROGRAM**

### **Make Command expectations clear:**

- Card misuse, abuse and delinquency will not be tolerated
  - Use the card for official travel only--NOT for personal, family or household purposes
  - File travel claims promptly and pay off card balances promptly
- Supervisors shall review travel claims and receipts for appropriateness prior to submission for payment
- Travel card coordinators shall monitor the card contractor's on-line system/reports for card misuse, abuse and delinquency and notify supervisors
- Supervisors and/or Commanders of cardholders shall take appropriate action to prevent and to respond to card misuse, abuse and delinquency
- Include Travel Charge Card Programs in Management Control Program evaluation checklists

### **Emphasize training:**

- Train travel card coordinators using on-line or on-site card contractor training and the General Services Administration Agency Program Coordinators Survival Guide
- Train cardholders, using materials previously provided or locally developed materials, to include proper and prohibited uses of the travel card, the benefit of the split disbursement option, the need to pay bills on time, the imposition of fees for late payments or returned checks, salary offset provisions, reporting to credit bureaus, and administrative or disciplinary action, as appropriate
- Include training on proper use of travel card as part of the mandatory annual Standards of Conduct briefing to all employees/military members
- Make use of basic personal financial management training offered by family service organizations and financial institutions on DoD installations

### **Ensure that travel cards are needed and appropriate:**

- Commanders shall review usage annually and deactivate or cancel cards in cases such as those where they have not been used or where usage is so infrequent that the cardholder could be classified as an infrequent traveler
- Commanders may cancel a cardholder's card for fiscal irresponsibility

### **Take appropriate action with respect to arriving and departing cardholders:**

- Ensure that in-and out-processing requirements include travel card Agency Program Coordinators
- Transfer or suspend accounts of departed cardholders no later than 60 days after a Permanent Change of Station move
- Notify the travel card contractor of the cardholder's new duty address for continuity until the cardholder provides a new home address for mailing of the billing statement

## **MANAGEMENT OF THE TRAVEL CARD PROGRAM (CONTINUED)**

### **Use existing tools to set the stage for appropriate disciplinary action:**

- Require Agency Program Coordinators to review records of all current cardholders to ensure a signed Statement of Understanding is on file (one time effort)
- Ensure new cardholders sign the required Statement of Understanding (and that Agency Program Coordinators retain it on file)
- Inform supervisors of cardholder misuse, abuse or delinquency
- Advise delinquent cardholders with delinquency notice letters
- Require each Agency Program Coordinator to conduct quarterly compliance reviews of 5 percent of their cardholder accounts to ensure cardholders are complying with existing policies.

### **Take appropriate action with cardholders that misuse or abuse their travel charge cards:**

- Counsel cardholders on card misuse, abuse or delinquency
- Encourage delinquent cardholders to arrange a repayment schedule with the card contractor
- Take appropriate administrative and disciplinary action for military members (including counseling, written reprimand, Article 15 or court martial) when warranted
- Take appropriate disciplinary or adverse action against civilian personnel (including counseling, written reprimand, suspension without pay, and removal from federal service) when warranted
- Refer suspected fraud to the appropriate criminal investigative service